



**+GF+**

**GF Corporation**

# **Investor Presentation**

October 2019

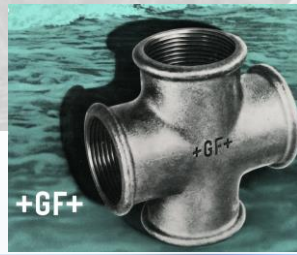
# Pioneering industrial technology for more than 200 years



1802



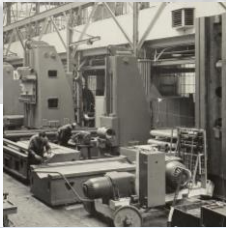
1864



1897



1921



GF Corporate

GF Piping Systems

GF Casting Solutions

GF Machining Solutions

**Georg Fischer founded in Schaffhausen**

**First Piping Systems product**

malleable iron fitting

**First Automotive Part**

As of 1900 GF develops wheels made of cast steel for trucks and cars

**First Machinery**

GF acquires the Machine Factory Rauschenbach for agricultural machinery

# Today GF stays at the frontier of new technologies ...

- Sales 2018 CHF 4.6 billion, EBIT CHF 382 million and 15'047 employees
- Our **core strength** lies in applying **state of the art industrial technologies**
- We specialize in developing **tailored solutions** to meet the **needs of our customers**
- We operate in markets with **high technology, complex processes and certification** requirements



**46%<sup>1</sup>**  
 GF Piping  
 Systems



**27%<sup>1</sup>**  
 GF Casting  
 Solutions



**27%<sup>1</sup>**  
 GF Machining  
 Solutions

# ... with a worldwide presence ...

## Americas

10 production sites  
13 sales sites  
2 R&D centers

## Europe

35 production sites  
42 sales sites  
6 R&D centers

## Asia Pacific

36 production sites  
55 sales sites  
2 R&D centers

**Present in 39 countries: 81 production sites, 110 sales sites, 10 R&D centers**

# ... having an impact on every day life

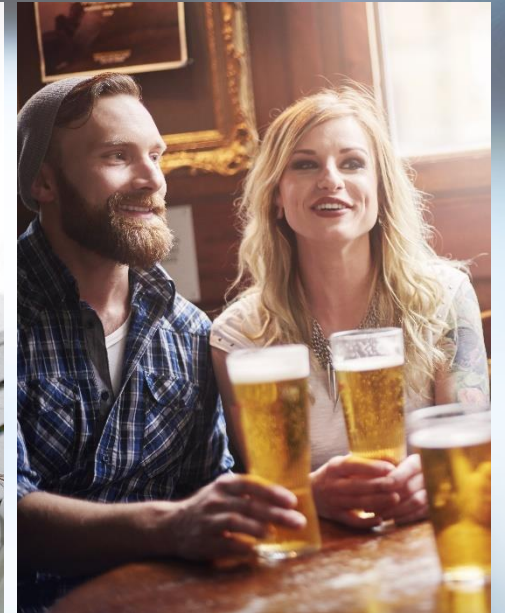
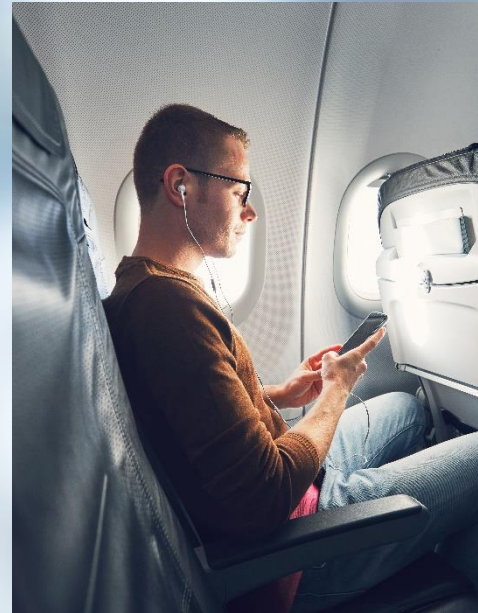
6am

7am

9am

2pm

8pm



# Key figures H1 2019

## Sales Corporation



**CHF 1.9b**  
 - 20.1% nom.  
 - 5.5% org.

## Sales GF Piping Systems



**CHF 913m**  
 - 2.7% nom.  
 - 0.2% org.

## EBIT CHF / ROS %



**EBIT 139m**  
 EBIT before one off 153m  
**ROS 7.3%**  
 ROS before one off 8.0%

## Sales GF Casting Solutions



**CHF 505 m**  
 - 43.6 % nom.  
 - 11.1 % org.

## Sales GF Machining Solutions



**CHF 506m**  
 - 9.7% nom.  
 - 9.0% org.

## ROIC



**14.6%**

# **Global mega trends provide growth opportunities for GF...**

# Urbanization drives need for piping systems

## + Speed of urbanization

More than **33%** of the world's drinking water is lost due to leakages\*



In 2050 **2/3** of the world population will live in cities\*\*

\*Source: Source: Miya & The World Bank with Clean Edge analysis

\*\*Source: Statista 2019 and United Nations, World Urbanization Prospects: The 2018 Revision.

## + Substantial water loss reduction with Sabesp, Brazil

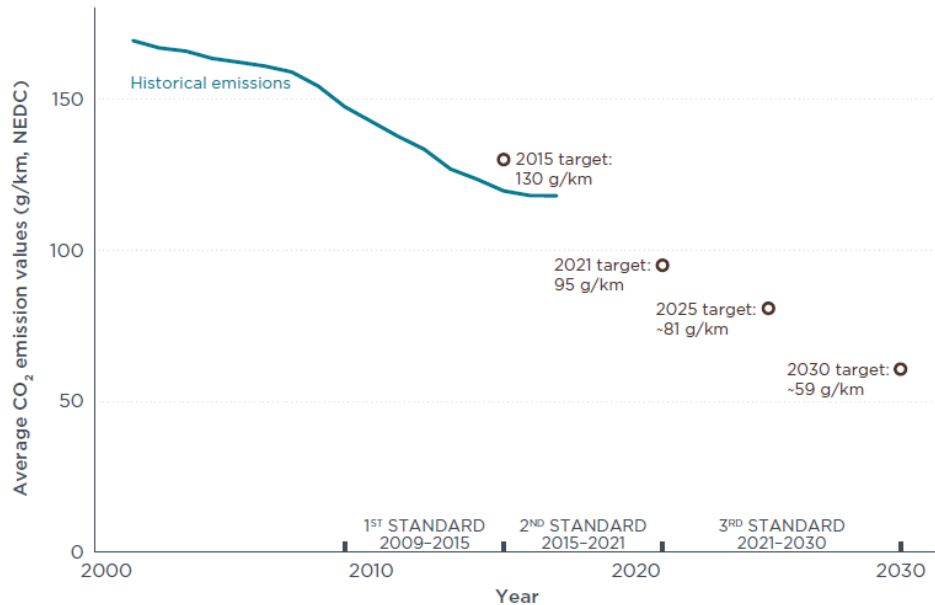


- Reduction of water loss by leakages from 34% to 28% until 2021 → ~ **-17%**
- Replacement of 760 km of networks
- Annual savings of **75 billion liters** of water p.a.
- Equivalent to ~ **8%** of the annual water consumption in Switzerland



# Increased environmental regulations drive demand for lighter components

## + CO2-regulations EU for passenger cars



Approx. **50%** CO<sub>2</sub> reduction between current and 2030 target

Source: ICCT Policy Update January 2019

## + More than 50% weight reduction

Previous sheet metal part **9.6 kg**

Lightweight cast solution in Aluminum developed by GF Casting Solutions **4.2 kg**

Weight reduction by 56% or **10.8 kg** per vehicle:

- Reduced CO<sub>2</sub>-emissions over vehicle lifetime of all produced vehicles: **375'000 t<sup>1)</sup>**
- or **40%** of the annual CO<sub>2</sub> emission of Zurich City

<sup>1)</sup> Audi A6. GF assumptions: 150'000 km lifetime over 8 years and 250'000 cars p.a.

# Digitalization and miniaturization increase need for precision

## Mobile computing with continuously evolving technology

In over 50 countries **66%** of all people have a smartphone (2016: 58%)

Source: Zenith Mobile Advertising Forecast



GFMS preferred partner of leading suppliers



FORM X 400



- Global thermo-stabilization for ultimate stability regardless of your production rate
- Uncompromising repeatability in microprofiles
- Outstanding accuracy

# Strategy 2020 – Pursue profitable expansion ...

Widen presence in growth markets, adapt portfolio & footprint in Europe

Shift divisions' portfolio to higher margin businesses

Anchor Design Thinking / Value Selling in GF's culture



## Objectives



**ROIC 20-24%**



**ROS 9-10%**



**Annual Growth 3-5%**

# ... with a strong focus on sustainability



GF Piping Systems	GF Casting Solutions	GF Machining Solutions
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Safe & hygienic transport of water

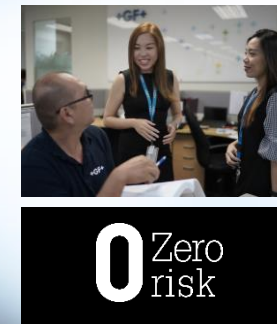
Reduction of CO2-emission through lightweight design & materials

Highest machining precision leads to more energy-efficient and safer components



based on...

- Ethical business conduct
- Being a responsible employer
- Care for environment



Listed in the SXI Switzerland Sustainability 25 Index®

# GF Piping Systems

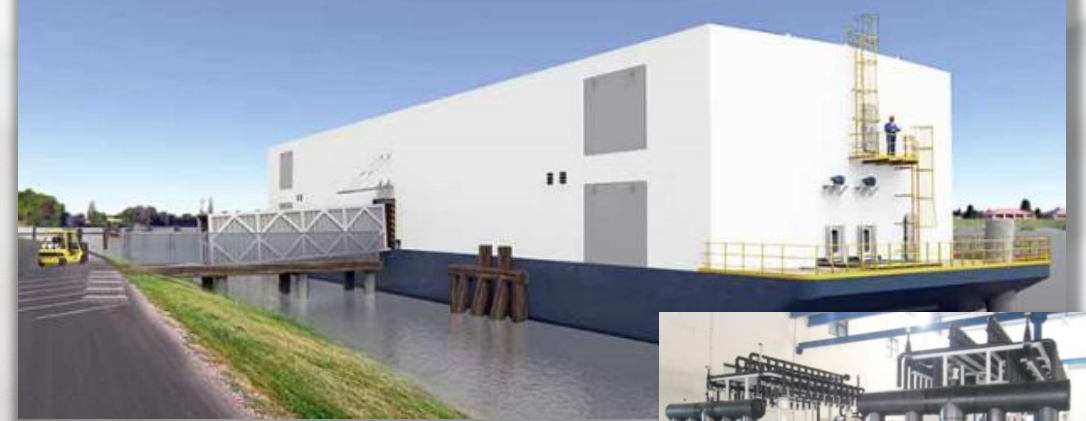
# GF Piping Systems

- We are a **leading supplier** of piping systems made of plastics and metal
- We focus on system solutions and **high-quality components** for the **safe transport** of water, chemicals and gases
- Our product portfolio of fittings, valves, pipes, automation, and jointing technologies covers **all applications** of the water cycle



80%  
MORE ENERGY  
EFFICIENT

30%  
LOWER OPERATING  
COSTS



**Pontoon Data Center**

GF Piping Systems helps customers making their business more sustainable

# Partnering with our customers ...



Industry



Utility



Building Technology



Gaz de France



# ... to conserve water and avoid contamination through safe and secure piping systems ...



Hyclean Automation System



Latest actuator generation



# ... matching our customers needs by investing in regional production capacity ...



- Footprint 25,000 sqm
- CHF 28 million investment
- Start of operation end 2020

New Yangzhou plant: pipe, fittings and instrumentation for Industrial and Building Technology applications

# ... making your flow sustainable



# GF Casting Solutions

# GF Casting Solutions

- We are a **technologically pioneering development partner** and manufacturer of cast and additive components for the global **automotive** industry, **aerospace** and **energy** markets, off-highway vehicles and for industrial applications
- Our highly complex **lightweight components** are produced using state of the art manufacturing technologies – from the development to the ready-to-mount solution



Outlet Guide Vane

# Partnering with leading manufacturers worldwide ...



Passenger Cars



Industrial Applications



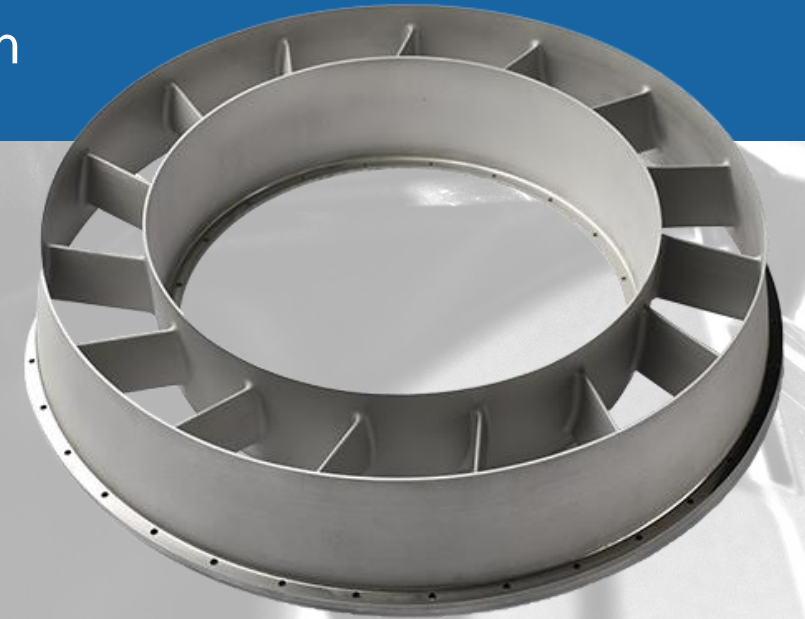
Aerospace /  
Industrial Gas Turbines



# ... and focusing on new manufacturing technologies in the aerospace sector

## AMotion Center

Additive Manufacturing in Motion: From concept to serial production



**Turbine Rear Vane: 48h print-job,  
500x500x500 GFMS/3DS DMP  
Factory500**

# Swift actions to address automotive drop...

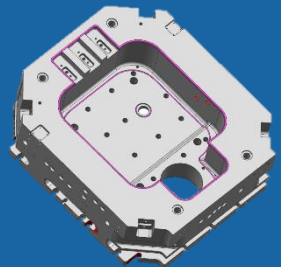


Consolidation of production capacity in Europe



Strengthening of production footprint in Eastern Europe

# ...yet accelerated investments in the future...



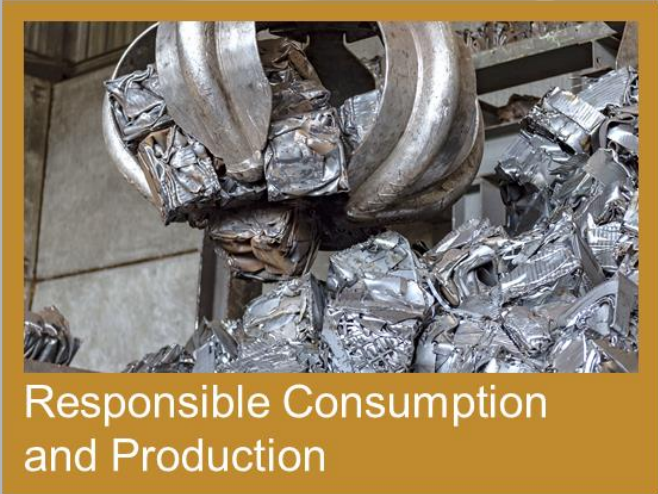
New tool shop in Suzhou, China



Expansion & construction of magnesium module 1B at our JV plant GF Linamar, USA



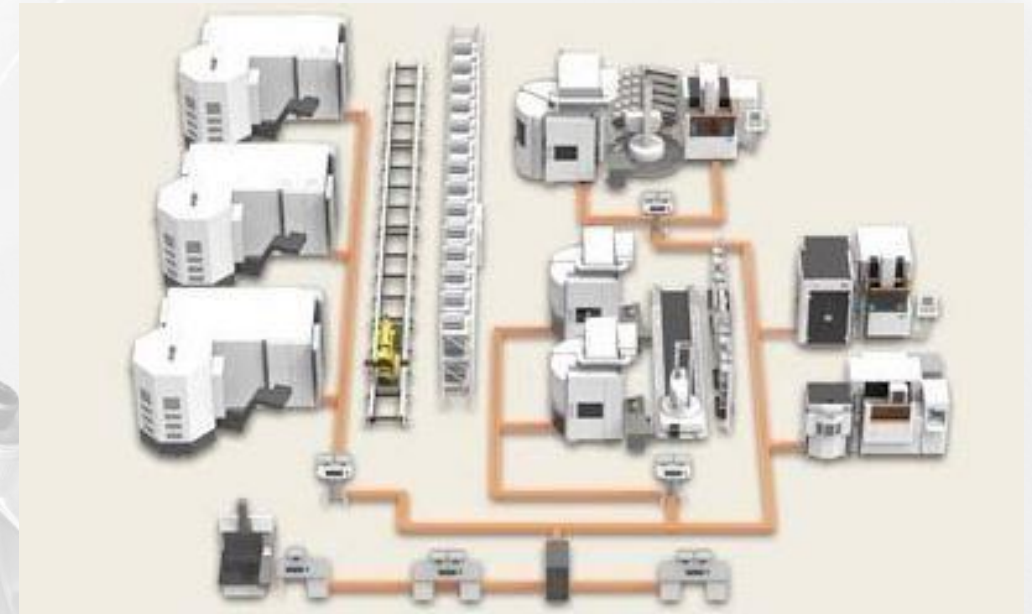
# ... leading to lower CO2-emissions worldwide by providing light weight components



# GF Machining Solutions

# GF Machining Solutions

- We are one of the **world's leading providers** of complete solutions to the **tool and mold making industry** and to manufacturers of **precision components**
- Our portfolio includes milling, wire-cutting and die-sinking EDM machines
- We offer spindles, **laser texturing, additive manufacturing**, tooling and automation as well as **digitalization solutions** and customer services
- Our key customer segments are the **aerospace, ICT, medical** and **automotive** industries



# We offer our customers ...



ICT



Medical



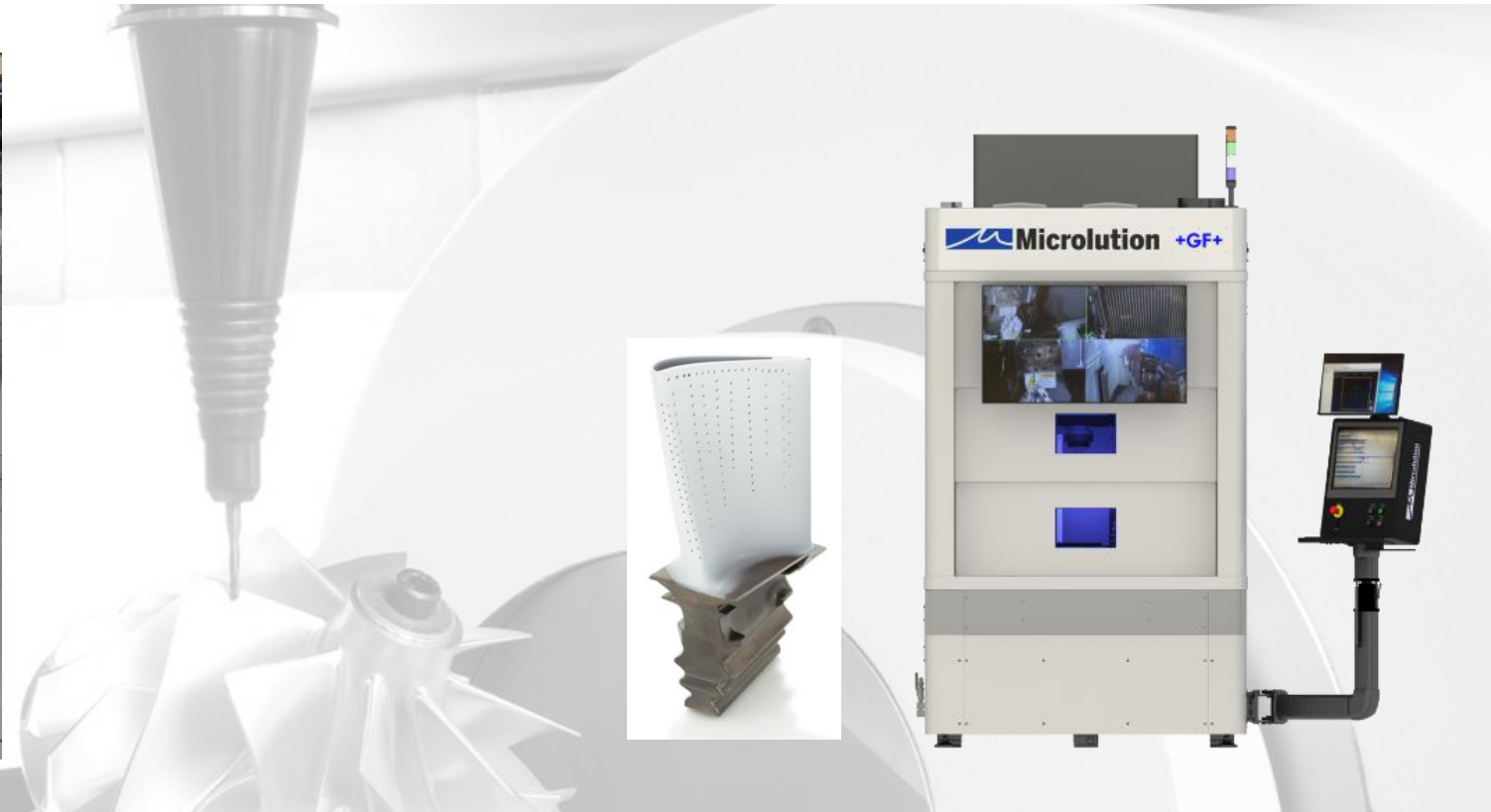
Aerospace



# ... solutions applying the latest technology to their precision needs ...

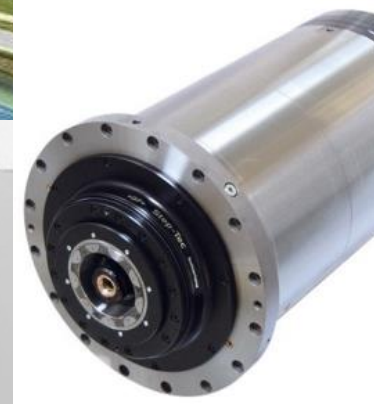


DMP350 assembly in Losone, Switzerland



ML10 machine in the US

# ... and focusing on operational excellence in our facilities ...



New milling plant in Changzhou, China

New innovation and production center in Biel, Switzerland

# ... to address energy efficiency



GF Machining Solutions strives to:

**Making high-precision machines highly energy efficient**



Industry, Innovation and Infrastructure



Responsible Consumption and Production



Climate Action

# **GF in short ...**



# GF's investment proposition

- **Strategy focused on higher value businesses**
  - widening presence in growth markets and adaption of portfolio in Europe supported by addressing new market segments
- **Products and services addressing demand of global mega trends**
  - global mega trends with direct business impact in all three divisions
- **Industry-leading technology provider with more than 200 years of industrial know-how**
  - well balanced geographical presence with a Swiss quality brand and technology with worldwide local production
- **Focus on helping our customers for their sustainable business**
  - creating value to society and contributing to a sustainable development
- **Focus on long-term value creation and return on capital employed**
  - value generation for our shareholders and other stakeholders

**+GF+**

**Thank you for your  
attention**



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